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CORPORATE SOCIAL RESPONSIBILITY AND MARKETING

What Works and What Doesn't

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Many companies choose to portray themselves as seeking the moral high ground and playing active role in society. This introduces an idea of corporate social responsibility. It has been argued that corporate social responsibility enhances corporate image (attitudinal dimension) and financial performance. However, some studies find negative impact of corporate social responsibility. Thus, it is debatable whether or not it pays organizations to play active role in society. This paper explores the importance of trust for making corporate social responsibility works. This paper also evaluates attitude and intention within relative attitudinal framework. The associations between trust, attitude and intention are also discussed and reviewed. Finally, a set of managerial implications is developed to address the problems peculiar to the corporate social responsibility and marketing.

Keywords: corporate social responsibility (CSR); intention; marketing; attitude

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Introduction

Many companies choose to portray themselves as seeking the moral high ground and playing active role in society. This introduces an idea that is called corporate social responsibility (CSR). In the past, commerce has been perceived as being necessarily driven by profit maximization, ruthless, competitive business practices, and ethics—either in terms of how products are sourced, manufactured and sold, or in terms of employee rights and treatment—has been deemed to be expensive, and a luxury to be considered only if it could be afforded (Kolstad 2007). However, today, there is evolving concern that organizations must focus not just on their customers, but also the important stakeholder groups (employees, customers, investors, suppliers, community, and environmental groups) that hold the firm accountable for its actions. (Vargo and Lusch 2004 as cited by Maignan et al. 2005). Based on these developments, there is a need for marketing to develop more of a stakeholder orientation rather than a narrow customer orientation. As a result, companies are now under pressure to take balanced perspective on stakeholder interests.

Furthermore, Karna et al. (2003) argue that building relationships with customers, suppliers, employees, communities and other stakeholders can become central to competitiveness and form the foundation for a new, progressive and people centered corporate strategies which attacks the

sources—not the symptoms of challenges facing business today. They argue that over the long term, this approach can generate more growth and profits. There can be no social responsibility without profits. Moreover, CSR enhances corporate image and financial performance (Balabanis et al. 1998). These bring us to the increased importance of CSR.

There are several types of CSR program such as environmental or green marketing (Zairi 2000; Karna et al. 2003); community development, services to disabled customers, employee diversification, occupational health and safety improvement, suppliers encouragement (Maignan et al. 2005); honest public information, periodically auditing and reporting to the community (Zairi 2000).

There are two points of view about social responsibility issues. *The first one* is the positive point of view about CSR. This point of view has seen CSR as an enabler for organizations to grow and to make profits (Karna et al. 2003). Also, CSR enhances corporate image and financial performance (Balabanis et al. 1998). This common argument is also strongly held by few corporate executives that CSR and profit go together in a systematic way (Kolstad 2007). The logics and arguments behind this positive point of view are presented by Stoll (2002). Normally, companies that contribute to social responsibility marketing rightly hope that these contributions will go unnoticed by costumers, investors, and

members of local communities. Especially, companies make their costumers to know about their good deeds. In one sense, this is utterly unproblematic. Good companies are rewarded for good deeds and this in turn encourages other companies to follow suit in giving back to the community. Companies that publicly proclaim their desire to be a positive force in the community will also be more likely to face continued public scrutiny, and this will in turn provide a further incentive to avoid wrongdoing (Stoll 2002). This positive viewpoint is also supported by some leading business, such as Shell, Beyond Petroleum, and Starbucks. They have introduced innovative CSR program, and implemented a solid CSR program that truly integrates and balances their responsibility to various stakeholder groups (Maignan et al. 2005). A combination of high CSR performance and high disclosure was found by Balabanis et al. (1998) to have positive effects on financial performance.

The second one is the negative point of view about CSR. This point of view has seen CSR as an instrument for organizations to increase and to maximize profits (Kallio 2007). Several cases such as Enron, Arthur Andersen and Worldcom raise paradox in corporate social responsibility issues. These cases reveal the facts that the organization with good reputation of CSR has been found operated unethically (Kallio 2007). These facts indicate that profit maximization re-

mains the fundamental principles held by organizations. Therefore, it can be concluded that CSR policies are basically insincere (Bakan 2004 as cited by Kolstad 2007).

However, let there be no doubt that this is still a live debate. Are CSR practices seen more expensive than operates unethically. Or have the communities become the victim of marketing hype and it is merely an eccentric fad? Because, there is constant pressure from the marketing and advertising community for differentiation, and social responsibility is likely to be viewed more and more as an opportunity. Again, it encourages deep cynicism. Shortly, does it make sound business sense to be a socially responsible organization? Does it pay to sell ethical, safety products? Does it pay to treat customer ethically? Does it pay to treat employees equally and ethically?

Therefore, this paper examines the basic proposition: the positive impact of CSR programs are created and developed if there are stakeholder beliefs toward the sincere of CSR programs. There are two crucial research agendas: (1) Exploring customer's trust toward CSR programs offered by commercial organizations in Indonesia, (2) Exploring the reason for believing or unbelieving about the sincere of CSR program, the relative attitude and intention toward brands that offer the CSR programs. Furthermore, several investigations about the association between trust, relative attitude, and intention are also presented.

Literature Review

Corporate Social Responsibility (CSR)

CSR Definitions

Corporate social responsibility (CSR) has recently been subject of increased academic attention. Carroll (1979) defines CSR as the economic, legal, ethical and discretionary demands that society places on business (See Balabanis et al. 1998; p. 26). Djoga (2005) defines CSR as an ethical decision making with deeply concern on legal issues, human rights, community development, and environment. The World Business Council for Sustainable Development (WBSCD) defines CSR as the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life (See Karna et al. 2003: 849). Similarly, Zanies conceptualized CSR as the degree of fit between society's expectations of business and the ethics of business. He argues that CSR is really nothing more than another layer of managerial responsibility resulting from the evolution of capitalism (See Balabanis et al. 1998: 26).

Maignan et al. (2005) suggest that CSR should be seen from two points of view: stakeholder and the level of social issues commitment. A company is said highly commits to CSR when at a minimum level, adopts values and

norms along with organizational processes to minimize the negative impacts and maximize their positive impacts on important stakeholder issues. In line with Maignan et al.'s (2005) argument, Epstein (1987) defines CSR as the discernment of issues, expectations and claims on business organizations regarding the consequences of policies and behavior on internal and external stakeholders (See Balabanis et al. 1998: 27).

Tuzzolino and Armandi (1981) offer a definition of CSR based on Maslow's hierarchy of needs. They defines CSR as the fulfillment of a firm's "internal and external self-actualization needs" which are located on the top of their organizational needs pyramid (See Balabanis et al. 1998; p. 27). According to this view, a company adopts CSR after they have satisfied three earlier layers of needs (physiological or survival needs fulfilled by corporate profits; safety needs such as dividend policy, conglomeration and competitive position; and affiliation needs such as participation in trade association, lobby groups, etc.). In line with Tuzzolino and Armandi (1981), Angelidis and Ibrahim (1993) define CSR as corporate social actions whose purpose is to satisfy social needs. They developed an equilibrium theory based on social demand and supply (See Balabanis et al. 1998: 27).

Thus, CSR definitions differ in terms of the basis or scope of CSR and even the term. As a result different aspects of a company's operations can be seen to from different perspective,

depending on the stance one adopts. While academic debate abounds at the theoretical level: at the operational level, insights are more various where, socially responsible behavior included (Balabanis et al. 1998; Djoga 2005; Harahap 2006):

1. Disclosure of information to shareholders
2. Disclosure of the board of directors
3. Equality of treatment for minorities
4. Environmental protections (e.g. reduction of emissions and waste and recycling of materials)
5. Philanthropy (donating to charities)
6. Involvement in social causes (involving anything from human rights to AIDS education)
7. Urban investment (working with local government to regenerate small business and the inner city environment generally)
8. Employee schemes (e.g. higher standard of occupational health and safety, good standard of staff treatment, etc)
9. Human Rights
10. Community development

Pros and Cons of CSR

Friedman (1970) as cited by Balabanis et al. (1998) states that the successful functioning of our society depends on the role specialization of its institutions. Since a company is an economic institution, it should specialize in the economic sphere. For

Friedman, business has only one social responsibility namely to maximize profits.

Opponents of Friedman's view argue that companies can no longer be seen purely as private institutions. For them, companies are also social institutions. Therefore, the benefits flowing from firms need to be shared collectively. In other words, a company is responsible not only to its shareholders (owners) but also to all stakeholders (employees, consumers, creditors, suppliers, etc) whose contribution is necessary for a company's success. This thesis is similar to the stakeholders model (Maignan et al. 2005) which argues that a company should be held accountable for any of its actions that affect people, communities, and the environment.

CSR Principles

Bowen (1953) as cited by Balabanis et al. (1998) suggests that the concept of CSR should emphasize that:

1. Business exist at the pleasure of society and that their behavior and methods of operation must fall within the guidelines set by society; and
2. Business act as moral agents within society. (See Balabanis et al. 1998: 25).

Wood (1991) as cited by Balabanis et al. (1998) argues that there are three driving principles of social responsibility:

1. Business is a social institution and thus obliged to use its power responsibly.
 2. Business is responsible for the outcomes relating to their areas of involvement with society.
 3. Individual managers are moral agents who are obliged to exercise discretion in their decision making. (See Balabanis et al. 1998: 26).
- Nelson (1998) as cited by Zairi (2000) proposes three principles for building social responsibility:

1. Efficient and ethical pursuit of core business activities, such as: making environmentally and socially responsible decisions; investing in the responsible sourcing production, distribution by taking into account access to the poor; creating local jobs, paying taxes and royalties; implementing social human resources policies; etc.
2. Social investment and philanthropy, such as: offering training programs to the community at large; running

employee volunteering schemes for social or cause-related initiatives; business education projects; community health projects; etc.

3. Contribution to the public policy debate, such as: taking obstacles to private sector development and responsible foreign investment, supporting progress for good governance, including anti-corruption initiatives and human rights standards, etc. (See Zairi 2000: 174, Table 1).

However, it is widely argued that CSR has started to subscribe to the principle “show me” rather than “trust me.” Therefore, corporate social accountability and reporting is seen as a key principle in CSR practices. The CERES principles are also based on corporate social responsibility and reporting. Any organization that pledges to endorse the CERES principles will agree to monitor and improve its behavior in the areas outlined in Table 1 (Zairi 2000).

Table 1. The CERES Principles

1	Sustainable use of natural resources	We will make sustainable use of renewable natural resources, such as water, soils and forest. We will conserve non-renewable natural resources through efficient use and careful planning.
2	Protection of biosphere	We will reduce and make continual progress toward eliminating the released of any substance that may cause environmental damage to the air, water, or the earth or its inhabitants. We will safeguard all habitats affected by our operations and will protect open spaces and wilderness while preserving biodiversity.
3	Reduction and disposal of wastes	We will reduce and where possible eliminate waste through source reduction and recycling. All waste will be handled and disposed of through safe and responsible methods.
4	Energy conservation	We will conserve energy and improve efficiency of our internal operations and of the goods and services we sell. We will make effort to use environmentally safe and sustainable energy sources.
5	Risk reduction	We will strive to minimize the environmental, health and safety risks to our employees and the communities in which we operate through safe technologies, facilities and operating procedures an by being prepared for emergencies.
6	Safe products and services	We will reduce and where possible eliminate the use, manufacture or sale of products and services that cause environmental damage or health or safety hazards. We will inform our customers of the environmental impacts of our products or services and try to correct unsafe use.
7	Environmental restoration	We will promptly and responsibly correct conditions we have caused that endanger health, safety or the environment. To the extent where this is feasible, we will redress injuries we have caused to the environment and restore the environment.
8	Informing the public	We will inform in a timely manner everyone who may be affected by conditions caused by our company that might endanger health, safety or the environment. We will regularly seek advice and counsel through dialogue with person in communities; our facilities. We will not take any action against employees for reporting dangerous incidents or conditions to management or appropriate authorities.
9	Management commitment	We will implement these principles and sustain a process that ensures the board of directors and CEO are fully informed about pertinent environmental issues and are fully responsible for environmental policy. In selecting our board of directors, we will consider demonstrating environmental commitment as a factor.
10	Audits and reports	We will conduct an annual self-evaluation of our progress in implementing these principles. We will support the timely creation of generally accepted environmental audits procedures. We will annually complete a CERES report which will be made available to the public

Source: Green Money Journal (1996) as cited by Zairi (2000)

Attitude, Relative Attitude, and Intention

Attitude is the directed and dynamic psychological and neural predisposition synthesized by experience of an individual towards all pertinent objects and situations (Dharmmesta and Khasanah 1999). In the context of consumer behavior, attitude refers to the consistency of spending on (like or dislike of) a particular object (Schiffman and Kanuk 2007). Similarly, Assael (1998) defines attitude as an overall evaluation about certain object, or certain behavior, and it can be positive or negative. In the context of consumer behavior, the objects of attitude refer to brand, person, activities, organizations, company, advertising, etc. Attitude can be used to evaluate the effectiveness of marketing activities and help to evaluate marketing venture before they are introduced into the market. There is also growing interest in the ways in which CSR can build and enhance brands (Jones et al. 2005). Bronn and Vrioni (2001) have explored how companies use CSR in their marketing activities and they have argued that the changing attitudes of customers have driven companies to find new ways of making marketing increasingly relevant to society. Their studies show that when price and quality are perceived as equal many customers tend to favour socially responsible companies and products. Therefore, this study use attitude as a proxy to evaluate the effectiveness of marketing social responsibility activities of an organization.

However, Dick and Basu (1994) offer new terminology of attitude, *relative attitude*. Relative attitude not only focuses on attitude toward single objects, but it also incorporates attitudes to alternatives. Thus, relative attitude refers to relative score of evaluation toward alternatives of objects. The difference between attitude and relative attitude lies on comparison. Attitude refers to absolute score of evaluation toward single object. This encapsulates not only satisfaction measures but also preference measures. The suggestion is that the higher relative attitude between alternatives, the more likely attitude will influence behavior. Dick and Basu (1994) argue that the nature of relative attitude is likely to provide a stronger indication of repeat patronage than attitude toward a brand determined in isolation. This argument is supported by Laroche et al. (1994) and Olsen (2002). They report that someone always does comparative evaluation toward a brand when he/she is in the stage of attitude formation. Therefore, relative attitude has better predictive power than attitude. Darsono and Junaedi (2006) find that comparative evaluations have better predictive ability compared to non-comparative evaluation. Thus, this research chooses to use relative attitude rather than attitude to evaluate the effectiveness of corporate social marketing responsibility activities.

Intention is closely related to attitude and behavior. Intention is one of the variables that occur in response to behavior prompted by particular atti-

tude or other variable. Several aspects of intention merit attention are as follows (Dharmmesta and Khasanah 1999):

1. Intention is considered as the trap or intermediary between the motivational factors that effect behavior;
2. Intention indicates how far a person is willing to experiment;
3. Intention also shows the range of measures a person intends to carry out; and
4. Intention is closely related to subsequent behavior.

Intention is considered one of the determining variables of actual behavior. This means that the stronger the consumer's intention to purchase, or achieve the goal of purchase, the more successful are the prediction of consumer behavior or the goal of this behavior.

Trust toward CSR Programs

Worchel (1979) as cited by Lau and Lee (1999) defines trust as willingness to rely on another party in the face of risk. The willingness stems from an understanding of the other party based on past experience. It also involves an expectation that the other party will cause positive outcome, despite possibility that the action may cause a negative outcome. In trusting CSR programs, the entity trusted is not a person, but CSR programs offered by particular company/brand. Moorman et al. (1993) define *trust* as the willingness to rely on an exchange partner in whom one has confidence. An impor-

tant aspect of both definitions is the notion of trust as a willingness and confidence.

In line with Moorman et al. (1993), Morgan and Hunt (1994) argue that trust exists when one party has confidence in an exchange partner's reliability and integrity. Lewis and Weigert (1985) as cited by Lau and Lee (1999) define trust as the confidence in the face of risk. Boon and Holmes (1991) as cited by Lau and Lee (1999) define trust as a state involving confidence positive expectations about another's motives with respect to oneself in risky situation. Three definitions above highlight the importance of confidence.

Absent from the definition of trust proposed by Morgan and Hunt (1994); Lewis and Weigert (1985); Boon and Holmes (1991) definition of trust is the behavioral intention of "willingness" which is incorporated by Moorman et al. (1993). Moorman et al. (1992) argue that this behavioral intention is a critical facet of trust's conceptualization because if one believes that a partner is trustworthy without being willing to rely on that partner, trust is limited. Morgan and Hunt (1994) argue that willingness to act is implicit in the conceptualization of trust, therefore, one could not label a trading partner as "trustworthy" if one were not willing to take actions that otherwise would entail risk. More simply, genuine confidence that a partner can rely on another indeed will imply the behavioral intention to rely. Thus, stated willingness in the definition of trust is unnecessary or redundant in its

definition. Therefore, just as behavioral intention is best viewed as an outcome of attitude and not part of its definition (Fishbein and Ajzen 1975 as cited by Zineldin and Jonsson 2000), willingness to rely should be viewed as a potential indicator of trust, not as part of definition.

The author has the same argument with Morgan and Hunt (1994), incorporated willingness in trust definition will cause redundancy. Thus, trust toward CSR programs exists when customers have confidence in CSR programs reliability and integrity.

Search Method

Sample

The sampling frame of this research are all citizens in Surabaya. The sampling procedure is convenience sampling with the consideration that the purpose of this study is to explore the effectiveness of corporate social marketing responsibility program. Of the 200 questionnaires distributed, 158 were returned. After careful examination, only 114 responses are usable.

Measures

The questionnaire used to measure the constructs are adapted from previous research, with several changes in wording to suit the research context. Specifically, 4 items on "relative attitude" (RA) are adapted from Darsono and Dharmmesta (2005); (RA1) I am convince that buying product/brand

with CSR programs are more beneficial than others without CSR programs; (RA2) I am convince that buying product/brand with CSR programs are more safety than others without CSR programs; (RA3) I prefers buying product/brand with CSR than others without CSR programs; (RA4) I feel more satisfied with my decision buying product/brand with CSR programs than others without CSR programs. Three items on intention (N) are adapted from Darsono and Dharmmesta (2005); (N1) I am more likely buying product/brand with CSR programs than others without CSR programs in the future; (N2) In the future, I will continue buying product/brand with CSR programs than others without CSR programs; (N3) I definitely buy product/brand with CSR programs than others without CSR programs in the future. All items are measured using five point Likert scale. Trust is measured by one question (trust/not trusted), nominal scale. In order to explore the reason whether the customers trust or do not trust the corporate social marketing responsibility program offered by organizations, the author use several close and open-ended questions.

Reliability and Validity

Only two of three constructs in this study, i.e. relative attitude and intention, are validated as trust is measured using only one indicator. Reliability is assessed using Cronbach's alpha. All of the investigated constructs exhibited an alpha value greater than

Table 2. **Indicator, Factor Loadings, and Reliability**

Constructs and Indicator	Standardized Loadings	Cronbach Alpha
<i>Relative Attitude:</i>		0.8573
RA1	0.892	
RA2	0.814	
RA3	0.611	
RA4	0.629	
<i>Intention:</i>		0.8498
N1	0.781	
N2	0.876	
N3	0.781	

0.70 (see Table 2), suggesting a reliability exceeding the common acceptable level (Hair et al. 1998).

Generally, validity is considered to be satisfactorily established when measurement items loads highly on their respective constructs. Table 2 summarizes the results. Following Hair et al.'s (1998) recommendation, factor loadings greater than 0.40 is considered very significant. All of the factor loadings of the items in the research model are greater than 0.4, with most of them above 0.60. In summary, the measurement items demonstrate adequate reliability and validity.

Results

The Profile of Respondent

Among the respondents, 48 percent respondents are male and the rest (52 percent) are female. Most of them

(36 percent) are working as private employees, and 6 percent are government employees, 18 percent as lecturers, 3 percent as doctors, and 36 percent are undergraduate students. Thirty-six percent respondents are below 25 years old, 29 percent are around 25 and 35 years old, 24 percent are around 36 and 45 years old, 10 percent are around 46 and 55 years old, and 2 percent are more than 55 years old.

Trust, Relative Attitude, and Intention

As summarized in Table 3, 52 respondents (46 percent) trust CSR programs offered by the company, and the remaining 62 respondents (54 percent) do not trust CSR programs offered by the company are truly based on deeply commitment over community health and prosperity. There are several underlying reasons why the

respondents trust or do not trust the CSR programs (see Table 4). However, Table 4 reveals that the company's concern over the safety of their products and services, the effort to reduce environmental hazards, and the company reputation as "good" company are the top three underlying reasons, which are chosen by the respondents. In other side, the top three underlying reasons why the respondents do not trust CSR programs are the company does not provide honest in-

formation to the consumer and public; the company does not conduct a self-evaluation report of CSR program to the public periodically, and the company seldom gives concern over the safety of their products and services.

As seen in Table 4, sixteen out of 52 trusting respondents toward CSR program state that the company's concern over environmental preservation is the primary reason to trust CSR program. The remaining primary reasons are the company's concern over

Table 3. Descriptive Statistics of Trust, Relative Attitude, and Intention

Constructs	Mean	Standard Deviation	Frequency	
			Trusted (%)	Not Trusted (%)
Trust		52 (45.6)	62 (54.4)	
Relative Attitude	4.6250	0.97550		
Intention	4.6346	0.95765		

Table 4. The Primary Reason for Trusted and Not Trusted CSR Program

Primary Reason for Trusted	Frequency (%)	Primary Reason for Not Trusted	Frequency (%)
The company always tries to reduce or where possible eliminate manufacture or sale of products and services that cause environmental damage or health or safety hazards.	16 (31)	The company does not have deeply commitment for CSR program, only euphoria. CSR programs are used by the company as a bail for getting the customers.	23 (37)
The Company always gives concern over the safety of their products and services.	14 (27)	The company seldom provides honest information to the consumer and public.	10 (16)
The company has a reputation as "good company"	9 (17)	The Company seldom gives concern over the safety of their products and services.	9 (15)

Table 5. List of Reasons for Trusted and Not trusted CSR Program

Primary Reason for Trusted	Frequency (%)	Primary Reason for Not Trusted	Frequency (%)
The Company always gives concern over the safety of their products and services.	34 (65.4)	The Company seldom gives concern over the safety of their products and services.	33 (53.2)
The company always tries to reduce or where possible eliminate manufacture or sale of products and services that cause environmental damage or health or safety hazards.	33 (63.5)	The company seldom tries to reduce or where possible eliminate manufacture or sale of products and services that cause environmental damage or health or safety hazards.	28 (45.2)
The company consistently reduces and where possible eliminate waste through safe and responsible methods.	17 (32.7)	The company does not consistently reduce and where possible eliminate waste through safe and responsible methods.	24 (38.7)
The company always participates for protecting environment and preserving biodiversity.	20 (38.5)	The company ever participates for protecting environment and preserving biodiversity.	21 (33.9)
The company always provides honest information to the consumer and public.	14 (26.9)	The company seldom provides honest information to the consumer and public.	42 (67.7)
The company conducts a self-evaluation report of CSR program to the public periodically.	7 (13.5)	The company does not conduct a self-evaluation report of CSR program to the public periodically.	33 (53.2)
The company has a reputation as “good company”	18 (34.6)	The company has a reputation as “bad company”	4 (6.5)
The brands of the company are well-known for its quality	12 (23.1)	The brands of the company are not well-known for its quality	4 (6.5)
The company has deeply commitment for CSR program, not only euphoria. CSR programs are not used by the company as a bail for getting the customers.	12 (23.1)	The company does not have deeply commitment for CSR program, only euphoria. CSR programs are used by the company as a bail for getting the customers.	37 (59.7)

products and service safety and the company reputation as “good” company. Among 62 respondents who do not trust toward CSR programs, 23 respondents believe that the CSR program is not truly hearted. The other primary reasons selected by respondents are the honesty of the company and the company’s concern over products and services safety.

On top of the primary reason for trusted and not trusted CSR program, there are other reasons listed in Table 5. Sixty-five (65) percent of respondents state that the company always gives concern over the safety of their products and services. The other reasons to trust the CSR programs are: the company concern over the safety of their products and services, the company participation for environmental protection and damage, the company

reputation, are frequently reasons stated by the respondents. On the other hand, the other reasons why the respondents do trust the CSR programs are: the company seldom provides honest information to the consumer and public, the company does not have deeply commitment for CSR program, only euphoria, the company seldom gives concern over the safety of their products and services, the company does not conduct a self-evaluation report of CSR program to the public periodically.

Curiously, as seen in Table 6, the respondents with positive relative attitude toward the brand and the company tend to have higher degree of trust toward CSR programs offered by the company. The amount of the respondents within the cell positive relative attitude and trusted; negative rela-

Table 6. Cross-Tabulation Results of Trust, Relative Attitude, and Intention

		Trust	
		Not Trusted	Trusted
Relative attitude	Negative	18	6
	Positive	44	46
Intention to buy	Low	15	3
	High	47	49

Notes: negative relative attitude and low intention = average score < 4; high à average score >= 4.

Pair of association	Phi	Cramer’s V	Contingency Coefficient	Sig
Trust & Relative Attitude	0.214	0.214	0.209	.022
Trust & Intention	0.252	0.252	0.244	.007

tive attitude and not trusted are systematically higher than the other cells. The respondents with high intention to buy tend to have higher degree of trust toward CSR programs offered by the company. The amount of respondents within the high intention to buy and trusted; low intention to buy and not trusted are systematically higher than the others. The values of *phi*, Cramer's V, and contingency coefficient between trust and intention greater than the values of *phi*, Cramer's V, and contingency coefficient between relative attitude and trust. However, all associations are significant. It reveals that there are association between trust, relative attitude and intention.

Discussion

Trust has increasingly importance in marketing, since the central role of trust in building long-term relationship with customers, such as commitment (Morgan and Hunt 1994), long-term orientation (Ganesan 1994), propensity to stay in relationship (Anderson and Weitz 1989 as cited by Doney and Cannon 1997), relative attitude

(Darsono and Dharmmesta 2005; Darsono 2006). When someone trusted an exchange partner, he/she will rely on himself/herself on exchange partner. In turn, he/she will be committed to maintain the relationship. Similarly, once customers trusted that corporate social responsibility offered by company is sincere without hidden motives, customers overall evaluation toward that company/brand will be consistently more positive than another. Shortly, customers' trust on CSR program enhances relative attitude toward company/brand with CSR programs. Higher relative attitude leads to higher intention to maintain the relationship with company, or to continue buying the brand.

This research finds that trusting respondents have higher relative attitude and intention than not trusting respondent (see Table 7). Although the difference is slightly small (0.5569 and 0.4244), but the difference is significant. The positive impact of relative attitude on intention is supported in this research. In line with previous studies (Darsono and Dharmmesta 2005), this research finds that relative

Table 7. **Relative Attitude and Intention Comparison Between Trusted and Not-Trusted Customers toward CSR Program**

	Mean		t	Sig (2-tailed)
	Trusted	Not-Trusted		
Relative Attitude	4.9279	4.3710	3.154	0.002 **
Intention	4.8654	4.4410	2.406	0,018 *

Notes: * = sig < 0,05; ** = sig < 0,01

attitude has significant positive impact on intention ($\beta = 0.719$ and $t = 4.496, p < 0.01$). A relatively high (51.3 percent) variation of intention can be explained by relative attitude solely.

This finding reveals that trust in CSR program plays the central role whether CSR program works or does not work. CSR program works when it can arouse trust on the minds of customers. It does not work when it cannot arouse trust on the minds of customers. However, this research also reveals there are more not-trusting respondents (62 persons) than trusting respondents (52 respondents). It shows that building trust toward CSR programs is a daunting task for marketers.

Table 5 reveals that the company concern over the safety of their products and services, the effort to reduce environmental hazards, and the company reputation as "good" company are the top three underlying reasons for trusted CSR programs, which are chosen by respondents. In the opposite, top three underlying reasons for not trusted CSR programs are the company does not provide honest information to the consumer and public; the company does not conduct a self-evaluation report of CSR program to the public periodically, and the company seldom gives concern over the safety of their products and services.

It implies that the company concern over environment and safety, company's reputation, fair information, and transparency of report about CSR programs to the customers and public are the salient attributes for

building trust toward CSR programs. Thus, customers' trust toward CSR programs is prerequisite for successful CSR programs. In order to develop customers' trust toward CSR programs, marketer must pay more attention on (1) showing and communicating to the customers and public about the company concern over environment and safety; (2) reporting and evaluating CSR programs transparently and periodically; (3) maintain and develop company's good reputation.

It seems that the finding of this research supports Donney and Cannon (1997) arguments about five distinct processes for developing trust. Showing and communicating to the customers and public about the company concern over environment and safety represents the calculative, predictive and capability process for developing trust toward CSR programs. There are several reasons behind this argument. *First*, showing and communicating CSR programs enable the customers and the public to calculate the costs/and or rewards of the company cheating or staying in the relationship.

Second, its also enable the customers and the public to assess the company behavior in the future.

Third, the customers and the public are being able to determine the company abilities to meet its obligations. Reporting and evaluating CSR programs transparently and periodically represents intentionality process, because its enable the customers and the public to interpret and assess the company's motives. Finally, maintain

and develop the company's good reputation represents transference process since the process of developing and maintaining the company reputation is a tool to transfer trust from one trusted "proof source" to another person/group which the trustor has little or no direct experience.

Limitations and Directions for Future Research

Even though this research finds that trusting respondents tend to have higher relative attitude and intention than not trusting respondents. This is an important finding to note. The result is evaluated and compared without taking into account how the company/brands and CSR programs are framed in the evaluative process, which starts from belief (cognitive evaluation) about brand/company and CSR programs attributes, then integrate them into global affective evaluation. Therefore, future research should emphasize the evaluative process.

While answering the questionnaire, the respondents' evaluations are affected by the context of questioning material. This is consistent with recent attitude theory suggesting that peoples do not respond to survey questions on the basis of a single, fixed set of psychological consideration. Lynch et al. (1991) as cited by Laroche et al. (1994) argue that the evaluation is relative, and very affected by the contexts surrounding the peoples. Therefore, the responds tend to depend on the context of questioning material to come to

mind at the moment answering. Furthermore, the particular material that comes to mind depends on the nature of the question and the manner in which it is posed. As a consequence, the reasons whether to trust or not to trust CSR programs may fail to fully account for their ability to explain how customers' trust toward CSR programs is developed/modified. Thus, research design issues are a central problem in research on trust toward CSR programs. Future research should pay attention to explore another salient attributes for developing trust toward CSR programs. It gives potential to replicate this research with different research design, such as experimental research design.

With respect to the respondents of this research, the author suggests the reader to interpret and generalize the result cautiously. Therefore, future research is better use different samples and settings.

Conclusion and Managerial Implications

Customers' trust toward CSR program plays the central role whether CSR program works or does not work. CSR program works when it can arouse trust on the mind of customers. It does not work when it cannot arouse trust on the mind of customers. Trusting customers tend to have higher relative attitude and intention toward brand/company with CSR programs than not trusting customers. The results of this research shows that the company con-

cern over environment and safety, company's reputation, fair information, and transparency of report about CSR programs to the customers and public are the salient attributes for building trust toward CSR programs.

Two managerial implications can be derived from this research. *First*, in order to develop customers' trust toward CSR programs, marketers should pay more attention on (1) showing and

communicating to the customers and public about the company concern over environment and safety; (2) reporting and evaluating CSR programs transparently and periodically. *Second*, marketers should take into account for developing and maintaining company's reputation regarding that good reputation is important starting point for creating customers' trust toward CSR programs.

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